

## BUSINESS REVIEW

### Wholesale Banking

#### Our Competitive Advantage

**At Wholesale Banking, we cater for the banking needs of mid-sized and large corporations from various economic sectors and industries, as well as institutional clients, government-linked companies and agencies. Business solutions experts, supported by client coverage teams, offer our clients an extensive range of solutions and a repertoire of skills to help meet their diverse needs. These include cash management, trade solutions, financing, FX, remittances, investments, treasury, debt and equity capital markets solutions which are offered through three main divisions:**



**JAMZIDI KHALID (JK)**

Managing Director  
Wholesale Banking



#### CORPORATE BANKING

Offers a full range of products and services, including corporate lending, investment banking advisory, trade finance, offshore banking and cash management solutions to wholesale banking clients.



#### TRANSACTION BANKING

Delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients.



#### GROUP TREASURY AND MARKETS (GTM)

Manages liquidity for the banking group and offers financial market and hedging solutions across all asset classes to a broad range of clients. The sales and trading activities cover fixed income, interest rates, FX, money market, equity derivatives, commodities and other derivatives.

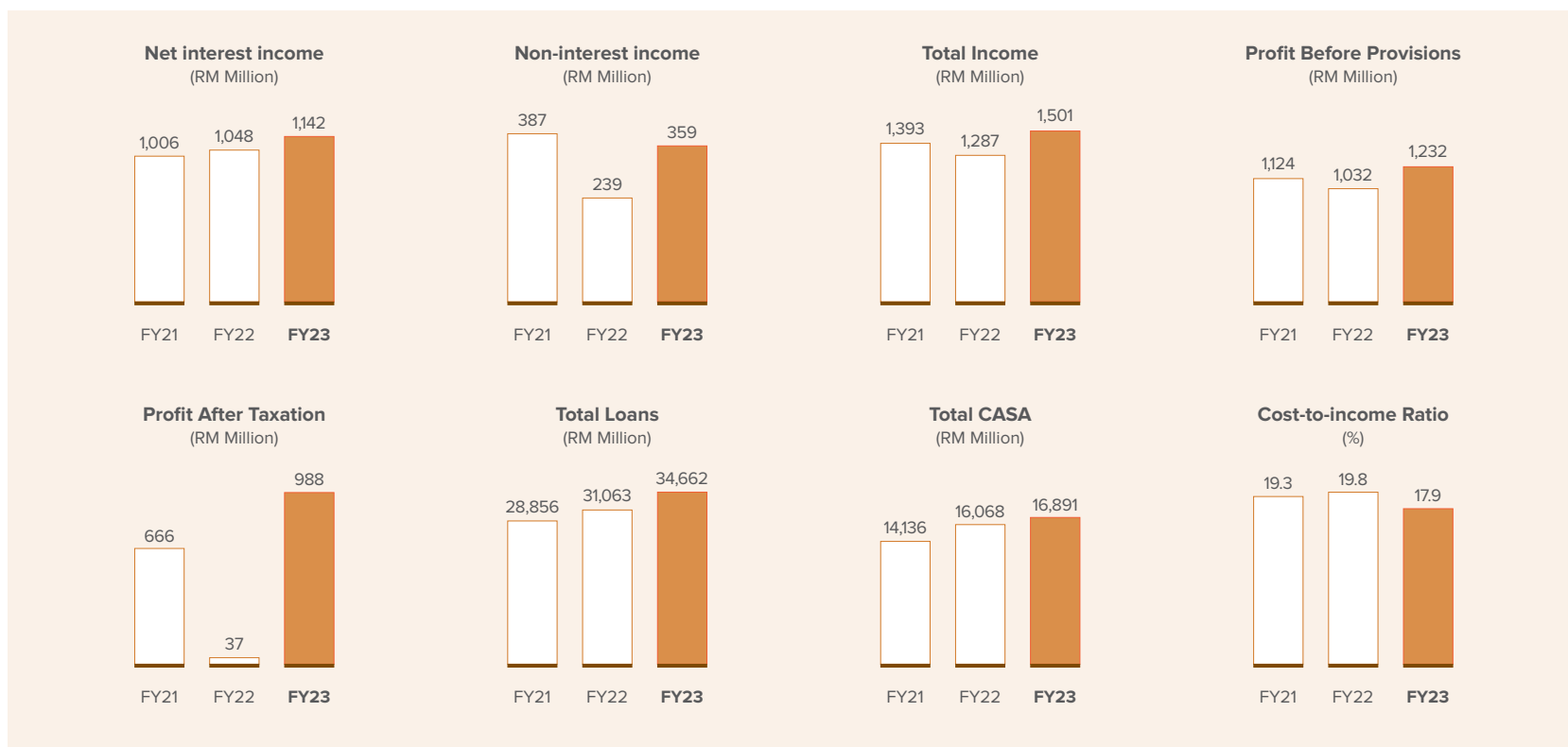
### PERFORMANCE OVERVIEW

Wholesale Banking continued to deliver a strong performance in FY2023 with YoY income growth of 16.7% to RM1,501 million, and a remarkable growth in PAT due to lower impairments. Wholesale Banking's PAT contribution was 57% of the Group's total PATMI.

The strong results came on the back of significantly better Noll from GTM's higher trading revenue and FX sales against the backdrop of volatile market conditions. We also achieved higher NII from deposits, attributable to TB's efforts in delivering tailored cash management solutions and sponsor bank initiatives that secured operating accounts. Corporate loans growth remained resilient with 11.6% growth YoY.

On the business front, we continued to strengthen our relationships with clients and deepen our share of wallet through current and bespoke financial solutions. We strived to be innovative in the digital payment space and remain competitive by meeting the growing interest in green and sustainability-linked financing.

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### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

#### Outcomes

##### Green Financing Facilities

- Collaborated with Kerjaya Prospek Property by providing RM100 million in sustainability-linked financing to fund the development of Courtyard by Marriott Hotel at Bloomsvale, an upcoming mixed development located in Old Klang Road, Kuala Lumpur.

##### Sustainable and Responsible Investment Sukuk

- In March 2023, AmBank was appointed the Joint Lead Manager for Global Vision Logistics Sdn Bhd's 25-year RM1.5 billion ASEAN Green Sustainable and Responsible Investment (SRI) Sukuk Murabahah programme to fund the development of the Shah Alam International Logistics Hub (SAILH), the first green-certified logistics hub in the country and one of the largest in ASEAN. The first tranche, comprising RM620 million unrated Islamic medium-term notes, is targeted to be issued in July 2023, of which 25% is to be subscribed by AmBank.

##### Greening Value Chain Programme

- Forged a strategic partnership with Pantas under AmBank's GVC programme to enable 5,000 AmBank customers, suppliers and vendors to utilise Pantas' carbon emissions accounting software free of charge. The ability of companies, especially SMEs, to calculate their emissions is a crucial first step to measuring sustainability performance and paves the way to obtaining sustainability-linked financing.

##### Local Government and Government Agencies

- Rolled out cash management solutions, including DuitNow via API and Virtual Account, among others.
- Delivered a collection solution for one of the largest cooperatives in Malaysia for government servants' debt repayments. The implemented solution enhances turnaround time and reduces instances of non-payment.

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#### Key Initiatives

#### Outcomes

#### Fintech Partnerships

##### DuitNow QR via API



- Introduced cross-border DuitNow QR for merchants to seamlessly receive payments made by locals and inbound tourists from Indonesia, Thailand and Singapore. With the cross-border payment feature, the POS-integrated DuitNow QR further streamlines sales operations and saves on processing costs and time for every transaction.
- Dynamic DuitNow QR via API was extended to other businesses such as parking companies, hypermarkets, F&B establishments and building management companies, as well as for the purchasing of tokens and recycling reward payments.

##### Hybrid eWallet



- The Hybrid eWallet integrates seamlessly with the AmBank Islamic Current Account, allowing eWallet users to enjoy the benefits of an Islamic current account, with a total combined limit of RM50,000, along with the versatility to transact or remit funds globally.

##### Sponsor Bank for RRP settlement



- A tailored solution to enable RPP RENTAS settlement for non-bank financial service providers who are also direct participants of PayNet.
- Leveraged our infrastructure to run their operations and deliver better services to their customers.

#### Group Treasury & Markets

##### Equity Derivatives



- Our wealth channels continued to gain momentum, achieving 101% YoY volume growth in structured investment product sales as of 31 March 2023.

##### Structured Warrants Franchise



- Continued to leverage on the franchise with the launch of structured warrants on FBM Bursa Malaysia KLCI (FBMKLCI) in September 2022.

##### eFX, Digital FX Pricing, Execution and Distribution Engine



- Rolled out to 168 branches; enabled our Sales team to expand the bandwidth of client coverage which led to improvement of overall productivity.

#### SUSTAINABILITY HIGHLIGHTS

##### Supporting Recycling Programmes



- Partnered Kuala Lumpur City Hall (DBKL) to introduce the Recycling Reverse Vending Machine, the first machine in Malaysia to adopt DuitNow QR as a mode of payment to the recycler's bank account or eWallet.

##### Supporting Sustainability-linked financing



- RM100 million in sustainability-linked financing.
- RM1.5 billion ASEAN Green SRI Sukuk.
- Outstanding green financing in excess of RM3 billion.
- 88.4% of new loan disbursements were to low ESG risk-grade clients.

##### Supporting the Call for ESG



- Participated and was successful in the inaugural carbon credit auction by BCX (subsidiary of Bursa Malaysia).

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### Awards & Recognition

#### 1. Alpha Southeast Asia Treasury & FX Awards 2022

- Best FX Bank for Corporates & FI (11<sup>th</sup> consecutive win)
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets (4<sup>th</sup> consecutive win)

#### 2. Asset Benchmark Research Asian Local Currency Bond Benchmark Review 2022

- Sales – Ranked 1<sup>st</sup> (Ho Su Farn)
- Trading – Ranked 2<sup>nd</sup> (Akmal Zaid Mansor)
- Trading – Ranked 5<sup>th</sup> (Chua Tuan Pey)
- Top Arranger (Government Bonds) – Ranked 3<sup>rd</sup>

#### 3. Bursa Malaysia Retail Investor Campaign 2022 – Highest Traded Value for Exchange-Traded Funds

#### 4. Malaysian e-Payments Excellence Awards (MEEA) 2022

- Leadership in DuitNow Innovation, Special Recognition Award

### OUTLOOK

Going forward, we expect volatility to persist with the imbalance in growth between developed and emerging economies, as well as a divergence in interest rate trajectory between the United States and Malaysia. However, as the end of the interest rate tightening cycle is in sight, the outlook for Wholesale Banking's businesses remains robust. With the resurgence of infrastructure investments in the post-pandemic economy, Wholesale Banking will continue to participate in meeting the financing needs of these projects while keeping our asset quality intact.

As we move into the final year of the Group's Focus 8 strategy, Wholesale Banking will elevate our push for capital-light revenue by enhancing our cash management capabilities and supply chain financing via trade solutioning, at the same time building sustainable flow businesses from FX and equity derivatives to support the growth of Noll while meeting the investment and hedging needs of our customers. We are committed to providing our clients with holistic financing solutions through strong collaborations with our colleagues from AmlInvestment Bank, leveraging their expertise in capital markets and corporate advisory.

As our business expands, it is crucial to ensure scalability through automation and digitalisation to improve turnaround time and speed to market. With this goal in mind, Wholesale Banking aims to invest further in digital infrastructure to further integrate our platforms into the Bank's digital banking channels for a seamless customer experience.

On the sustainability front, Wholesale Banking's strategic initiatives remain aligned with the Group's direction in driving the ESG agenda, where investment, financing and client solutioning will lead to the building of a green and sustainable economy. Besides the green financing solutions that we offer our clients, the Group expects to roll out more sustainability-linked products in the foreseeable future.

We believe that our initiatives will not only add value for our clients, but also strengthen our competitive edge in the market. As we continue to build trust and nurture our existing client relationships, we are confident that we will be able to acquire new market share with close collaborations within the Group.